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MARK E. SALTER **
STEVEN J. SARBACKER **

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ATTORNEYS AT LAW

Telephone (605) 335-4950
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JEAN BROCKMUELLER, CPA
BUSINESS MANAGER

*Also licensed to practice
in Minnesota and Iowa
*Also licensed to practice
in Minnesota

January 12, 1998

RECORDATION NO. 18350 FILED
JAN 20 '98 3-30 PM

VIA CERTIFIED US MAIL

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

RE: FULL TERMINATION of Security Interest - Recordation No. 18350
(Our File No. DM-100-05.AB)

Dear Secretary:

Enclosed herewith, in compliance with 49 CFR § 1177.3, please find an original and three counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Full Termination of Security Interest, a secondary document, dated December 31, 1997. The primary document to which this is connected is recorded under Recordation Number 18350, recordation date July 29, 1993.

The names and addresses of the parties to the documents are as follows:

Lessor: GP 38 Partners 89
107 S. Spring Mill Road
Villanova, PA 19085
Lessee: Dakota, Minnesota & Eastern Railroad Corp.
PO Box 178
Brookings, SD 57006-0178

A description of the equipment covered by the document follows:

Four (4) GP-38 model locomotives with the reporting marks:
DME 3800
DME 3801
DME 3802
DME 3803

RECEIVED
SURFACE TRANSPORTATION
BOARD
JAN 20 3 30 PM '98

Surface Transportation Board
Filing - Full Termination of Security Interest
Recordation No. 18350
4 GP-38 locomotives - DME 3800-3803
January 12, 1998 - Page 2

A fee of \$24.00 is enclosed. Please return any copies not needed for recordation to me with a notation of the recordation number, date and time of filing for our records.

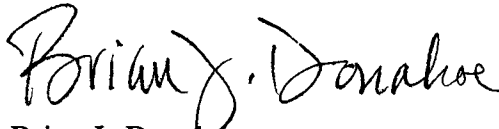
A short summary of the document to appear in the index as described in 49 CFR § 1177.4(a) follows:

Other secondary documents - Full Termination of Security Interest to Memorandum of Lease with Recordation No. 18350, dated December 31, 1997 and covering 4 GP-38 locomotives.

Should you have any questions or require additional information with respect hereto, please do not hesitate to contact me.

Sincerely,

CUTLER, DONAHOE & MICKELSON, LLP

A handwritten signature in cursive script that reads "Brian J. Donahoe".

Brian J. Donahoe

For the Firm

Attorneys for Dakota, Minnesota & Eastern Railroad
Corp.

BJD:rrk
Enclosures
cc: David Parrott

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January 15, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

RE: FULL TERMINATION of Security Interest - Recordation No. 18350
(Our File No. DM-100-05.AB)

Dear Secretary:

Enclosed herewith is a check in the amount of \$24.00 which was inadvertently omitted from my January 12 letter to you in the above-referenced matter. I apologize for any inconvenience this may have caused.

Sincerely,

CUTLER, DONAHOE & MICKELSON, LLP



Brian J. Donahoe

For the Firm

Attorneys for Dakota, Minnesota & Eastern Railroad
Corp.

BJD:kk
Enclosure

RECEIVED
SURFACE TRANSPORTATION
BOARD

JAN 20 3 31 PM '98

SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C. 20423-0001

OFFICE OF THE SECRETARY

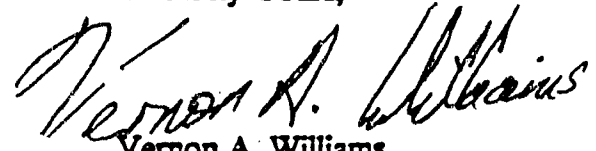
Brian J. Donahoe
Cutler, Donahoe & Mickelson, LLP
100 North Phillips Avenue, Ste. 901
Sioux Falls, South Dakota 57104-6725

DATE: 1/20/98

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301
and 49 CFR 1177.3 (c), on 1/20/98 at 3:30PM, and
assigned recordation number(s). 18350-C.

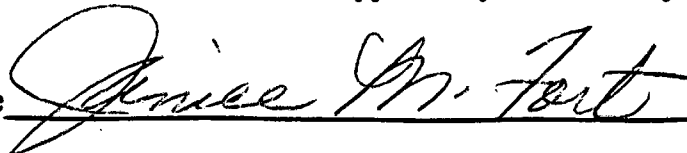
Sincerely Yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 24.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



JAN 20 '98

3-30 PM

FULL TERMINATION

PURSUANT to the Lease Agreement dated May 25, 1993, as amended, between GP 38 Partners 89, a Pennsylvania general partnership ("Lessor"), and Dakota, Minnesota & Eastern Railroad Corporation, a Delaware corporation ("Lessee"), this FULL TERMINATION is made this 31st day of December, 1997, by and between the Lessor and Lessee.

RECITALS

WHEREAS, the Lessor and Lessee have agreed to fully terminate the Lease Agreement dated May 25, 1993, as amended,

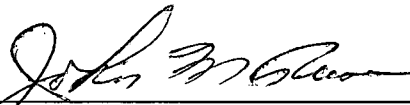
NOW, THEREFORE, in consideration of the premises herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Lessor agrees as follows:

1. Full Termination Removing Equipment From the Lease. Lessor and Lessee hereby agree as follows:

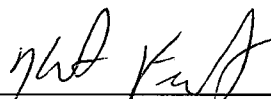
All collateral as currently covered in the Lease Agreement of the parties evidenced by the Memorandum of Lease, under Recordation No. 18350, as may have been amended, including Recordation No. 18350B, is fully terminated.

IN WITNESS WHEREOF, the undersigned have caused this Full Termination to be executed as of the date first above written

GP 38 PARTNERS 89

By 
Its General Partner

DAKOTA, MINNESOTA & EASTERN
RAILROAD CORPORATION

By 
Its Kurt V. Feaster, Chief Financial Officer
Treasurer & Ass't Secretary

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF Montgomery) : SS

On this, the 17th day of December, 1997, before me, the undersigned officer, personally appeared JOHN M. RUSE, who acknowledged himself to be the GENERAL PARTNER of GP 38 Partners 89, a Pennsylvania general partnership, and that he, as such GENERAL PARTNER being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the general partnership by himself as GENERAL PARTNER.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Denise M. Stubel

Notary Public,

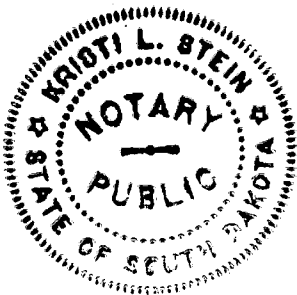
My Commission Expires: Aug. 9, 2001

Notarial Seal
Denise M. Stubel, Notary Public
Whitpain Twp., Montgomery County
My Commission Expires Aug. 9, 2001
Member, Pennsylvania Association of Notaries

STATE OF SOUTH DAKOTA)
)
COUNTY OF BROOKINGS) : SS

On this, the 30th day of December, 1997, before me, the undersigned officer, personally appeared Kurt V. Feaster, who acknowledged himself to be the Vice President of Finance of Dakota, Minnesota & Eastern Railroad Corporation, a Delaware corporation, and that he, as such Vice President of Finance being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President of Finance.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Kristi L. Stein

Notary Public, South Dakota

My Commission Expires: May 16, 2005

My Commission Expires
May 16, 2005